



January 10, 1993

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INVESCO Funds Group, Inc.  
7800 East Union Ave., Suite 800  
Denver, Colorado 80237  
Post Office Box 173706  
Denver, Colorado 80217-3706  
Telephone: 303-930-6300

Mr. William F. Canton  
Acting Secretary  
Federal Communications Commission  
1919 M Street NW  
Washington, D.C. 20554

RE: CC Docket 93-292

Dear Mr. Canton:

It was with great interest I read the recent FCC Notice of Proposed Rulemaking concerning Toll Fraud. As a telecommunications professional who is responsible for my company's communications systems, I am encouraged by the proposed rulemaking because even though I have taken each and every protective step recommended by the IXC's and CPE vendors to secure my systems, I can still experience toll fraud. It is impossible to secure my system 100% from fraud.

PBX owners should not be responsible for 100% of the toll fraud if we don't control 100% of our destiny. Since our destiny is not only controlled by our PBX security precautions, but also by the information, services and equipment provided IXCs, LECs and CPEs, the law should reflect that. It is preposterous to think that the IXCs, LECs and CPEs who all have a very important part in this issue, have absolutely no legal obligations to warn customers and therefore, no real incentive to stop fraud.

CPEs should be required to provide warnings about the risks of toll fraud with their equipment and provide recommended counter methods. It is critical that CPEs ship equipment without default passwords which are well known within the hacker community. Passwords should be created during the installation of the equipment with the customers full knowledge. CPEs should be required to include security-related hardware and software in the price of their systems. When you buy a car, the lock and key are provided in the design and price of the car. Not an adjunct that you have to purchase later.

While the programs offered by IXCs, such as MCI Detect, AT&T NetProtect and Sprint Guard have broken new ground in relation to preventing toll fraud, they still don't do enough. Some of these services are too expensive for smaller companies and the educational information is superficial. Monitoring by the IXCs should be a part of the basic interexchange service offerings, as all companies, large and small, are vulnerable to toll fraud. If the IXCs were monitoring all traffic, there wouldn't be any cases of toll fraud for periods longer than a day.

As hackers begin new methods of breaking in to systems by using local lines instead of 800 numbers, the LECs should be required to offer monitoring services similar to the IXC's.

I applaud the provisions outlined in the NPRM on shared liability. They are fair and equitable. Shared liability will require clear definitions of the specific responsibilities of the CPE owner to secure their equipment, the manufacturer to adequately warn the customer of the toll fraud risks associated with features of the CPE, and the IXCs and LECs to offer detection and prevention programs and educational services. If toll fraud occurs and one of the parties should fail to meet these responsibilities and prove to be negligent, then they should bear the cost of the fraud. I do not believe any damages should be awarded to the aggrieved parties. Should all parties have met the aforementioned responsibilities, and toll fraud occurs, then liability should be shared equally.

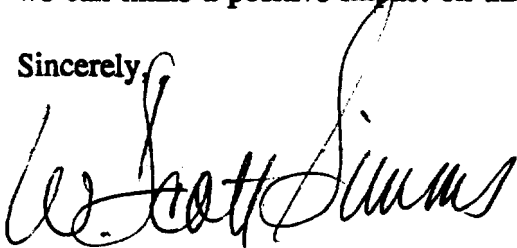
However, shared liability only addresses the symptom of the problem of toll fraud and not the cause.

The root of this insidious crime of toll fraud is the hacker community. As the information highway widens, so do the endless opportunities for hackers to compromise our communication systems. I do not believe it when the hackers state they only 'hack' to gain knowledge. If this were the case, there wouldn't be a toll fraud problem. While it is the hacker who breaks in to the systems and sells the information, it is the call sell operations that truly profit from it.

Until we come up with an adequate method for law enforcement to catch and prosecute these criminals, toll fraud will continue to grow beyond the \$5 billion problem it is today. We must develop legislation that clearly defines and penalizes this criminal activity and gives law enforcement the tools it needs to track and prosecute the perpetrators of toll fraud.

Toll fraud is an illegal, fraudulent theft of service. I am encouraged that if we all work together we can make a positive impact on this terrible problem.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. Scott Sumner". The signature is fluid and cursive, with a large, stylized "S" at the end.

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Mr. William F. Canton  
Acting Secretary  
Federal Communications Commission  
1919 M Street NW  
Washington, DC 20554



Re: CC Docket no. 93-292

Dear Mr. Canton:

I am a telecommunications professional who is responsible for my company's telecommunication systems and I am painfully aware that although I may reduce the risk, no matter how many steps I take to secure my systems, I am still vulnerable to toll fraud. That is why I am so encouraged by the proposed rule making.

PBX owners should not be responsible for 100% of toll fraud if we are not controlling 100% of our destiny. This destiny is ultimately controlled by not only our implementation and proper use of PBX security features but by the information, equipment and services provided by IXCs, LECs and CPE vendors. The legal obligations of the IXCs, LECs and CPE vendors should provide the proper incentive to reduce and eliminate all toll fraud.

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LECs must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are as vulnerable to toll fraud. As the line between IXC and LEC becomes fuzzier, monitoring and proper notification by all carriers will be even more applicable.

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- CPE owner to secure their equipment
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- IXC's and LEC's to offer detection, notification, prevention, and education offerings and services

If toll fraud occurs due to the negligence of one or more parties then the financial loss should be equitably distributed among those negligent parties. If there is no proven negligence the financial loss should be equitably distributed among CPE owner, and all CPE vendor(s), LEC(s) and IXC(s) involved.

Toll Fraud is a financially devastating problem that affects the entire telecommunications industry including users, vendors and carriers. I am sure, that if we all work together we can and will make a positive impact on this problem.

Sincerely,

*Alan Gady Jones*  
TEXAS COMMERCE BANK

January 11, 1994



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1919 M Street NW  
Washington, DC 20554

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Sincerely,

*Frank B. Villarmia Jr.*  
AMSTAR COMMUNICATIONS.

**PRIMERIT**  
BANK

DOCKET FILE COPY ORIGINAL

PriMerit Bank, Federal Savings Bank  
Post Office Box 98599  
Las Vegas, Nevada 89193-8599  
702 362-5555

January 12, 1994

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**JAN 21 1994**

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*Big*

Big Safe Friendly

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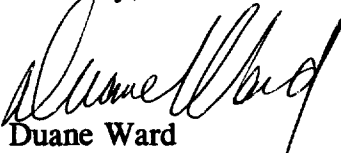
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Sincerely,



Duane Ward  
Office Services Manager

CC: Frank Briggs



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*Quigley*

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Sincerely,

A handwritten signature in black ink, appearing to read "Rod McNeil". The signature is stylized with a large, looped "R" and a cursive "McNeil".

**TORO**

The Toro Company

8111 Lyndale Avenue South, Bloomington, Minnesota 55420-1196  
612/888-8801 • Telex 290928 • FAX NBR 887-8258

January 13, 1994

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Acting Secretary  
Federal Communications Commission  
1919 M Street NW  
Washington, DC 20554

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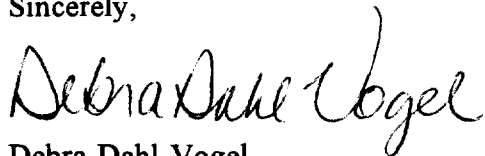
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Sincerely,



Debra Dahl Vogel  
Telecommunication Network Coordinator

January 11, 1994

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Acting Secretary  
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1919 M Street NW  
Washington, DC 20554



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Sincerely,

*Linda Mazzeola*  
*Manager PBX Administrations*

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Sincerely,

A handwritten signature in cursive script, reading "Janice Dowden".



January 11, 1994

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Acting Secretary  
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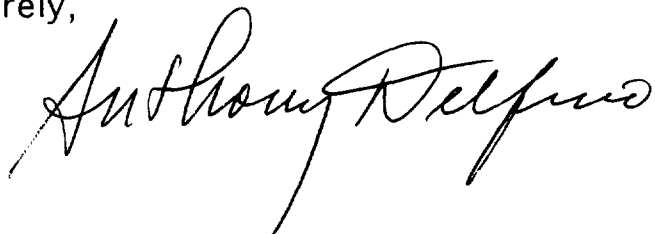
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PBX owners should not be responsible for 100% of toll fraud if we are not controlling 100% of our destiny. This destiny is ultimately controlled by not only our implementation and proper use of PBX security features but by the information, equipment and services provided by IXC's, LEC's and CPE vendors. The legal obligations of the IXC's, LEC's and CPE vendors should provide the proper incentive to reduce and eliminate all toll fraud.

Current programs offered by some IXC's (Sprint Guard™, MCI Detect™, and AT&T Netprotect™) and insurance companies are too expensive. Monitoring and proper notification by the IXC's must be a part of the basic interexchange service offerings. This should eliminate cases of toll fraud greater than 24 hours.

LEC's must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are as vulnerable to toll fraud. As the line between IXC and LEC becomes fuzzier, monitoring and proper notification by all carriers will be even more applicable.

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*[Signature]*

CPE vendors need to provide telecommunications security as a cost of doing business instead of an opportunity to sell additional products and services. CPE vendors should be required to provide warnings about the risks of toll fraud, as it specifically relates to their equipment and provide solutions to reduce the risk of toll fraud. All CPE should be delivered without standard default passwords, which are well known to the criminal community. All login IDs, including those used by the vendor, should be disclosed at the time of purchase and at installation. All customer passwords should be changed or created at installation and the customer should receive written assurance that all vendor passwords will meet minimum requirements regarding length, change schedule, and alpha numeric format. CPE vendors should be encouraged to offer security related hardware and software in the price of their systems.

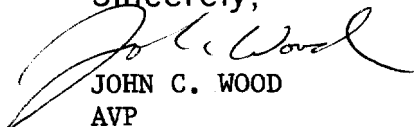
The provisions outlined in the NPRM are fair and equitable. Shared liability will require clearly defining the responsibilities of the;

- CPE owner to secure their equipment
- CPE vendors to warn customers of the specific toll fraud risks associated with their equipment
- IXC's and LEC's to offer detection, notification, prevention, and education offerings and services

If toll fraud occurs due to the negligence of one or more parties then the financial loss should be equitably distributed among those negligent parties. If there is no proven negligence the financial loss should be equitably distributed among CPE owner, and all CPE vendor(s), LEC(s) and IXC(s) involved.

Toll Fraud is a financially devastating problem that affects the entire telecommunications industry including users, vendors and carriers. I am sure, that if we all work together we can and will make a positive impact on this problem.

Sincerely,



JOHN C. WOOD  
AVP  
CITIBANK, SD



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JAN 21 1994

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January 11, 1994

Trident Research Center  
5300 International Blvd.  
North Charleston, SC 29418  
(803) 760-2700

Mr. William F. Canton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

RE: CC Docket 93-292

Dear Mr. Canton:

I read with interest the recent FCC Notice of Proposed Rulemaking concerning toll fraud. As a telecommunications professional responsible for SCRA's communications system, I am encouraged by the proposed rulemaking. Even though I have taken every step recommended by the IXC's and CPE vendors to secure our system, we can still experience toll fraud. It is not possible to secure the system 100% from toll fraud.

We as PBX owners should not be 100% responsible for toll fraud if we are not capable of securing the system 100%. Since our destiny in this regard is not only controlled by our PBX security precautions, but also by the information, services, and equipment provided by IXCs, LECs and CPEs, the law should reflect that fact. It seems preposterous to think that the IXCs, LECs and CPEs who all have a very important part in this issue, have no legal obligations to warn customers and, therefore, no concrete incentive to stop toll fraud.

CPEs should be required to provide warnings about the risks of toll fraud with their equipment and provide recommended counter methods. It is critical that equipment be shipped without default passwords which are well known within the hacker community. Passwords should be created during the installation of the equipment with the customer's full knowledge, and security related hardware and software should be included in the price of the systems, just as when one purchases an automobile and the price of the key and lock are included in the price of the car, not priced separately.

While the programs offered by the IXCs such as "MCI Detect", "AT&T NetProtect" and "Spring Guard" have broken new ground in relation to preventing toll fraud, they still do not accomplish enough. In addition, some of these services are too expensive for smaller companies, and the educational information seems superficial. Monitoring by the IXCs should be a part of the basic interexchange service offerings, as all companies, both large and small are vulnerable to toll fraud.

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*Quigley*

Mr. William F. Canton  
January 14, 1994  
Page Two

LEC's should also be required to offer monitoring services similar to the IXC's. Hackers are now beginning to find methods of breaking into systems by using local lines instead of 800 numbers.

The provisions outlined in the NPRM on shared liability seem to be fair and equitable. Shared liability will require clear definitions of the specific responsibilities of the CPE owner to secure their equipment, the manufacturer to adequately warn the customer of the toll fraud risks associated with features of the CPE, and the IXCs and LECs to offer detection and prevention programs and educational services. If toll fraud still occurs and one of the parties should fail to meet these responsibilities and proves to be negligent, then they should bear the cost of the fraud, without damages being awarded to the aggrieved parties. Should all parties have met the aforementioned responsibilities and toll fraud still occurs, then liability should be equally shared. However, shared liability only addresses the symptom, not the cause.

The root of the crime of toll fraud is the computer hacker community. As the information highway widens, so do the limitless opportunities for hackers to compromise our communications systems. Not all hackers "hack" to simply gain knowledge. Time and again it has been found that there are hackers who get into systems and sell telephone numbers, time, etc. While it is the hacker who breaks in, the call sell operations are the ones that truly profit.

We must develop adequate methods of law enforcement to apprehend and prosecute those criminals before toll fraud grows beyond the \$5 billion problem it is today. Legislation must clearly define and penalize criminal activity and give law enforcement the tools it needs to adequately track and prosecute the perpetrators of toll fraud.

I am encouraged that as communications professionals, vendors, and legislators work together, we can make a positive impact on this horrendous problem.

Sincerely,



Anita L. Drennon  
Facility Administrator

ald

January 11, 1994

Mr. William F. Canton  
Acting Secretary  
Federal Communications Commission  
1919 M Street NW  
Washington, DC 20554

**RECEIVED**

**JAN 21 1994**

**FCC MAIL ROOM**

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Sincerely,

*Hemi Bailey*  
*Telecommunications Manager*  
*Sanitary Health System*